July 23, 2026

Cholamandalam Investment and Finance Company Limited: Rating upgraded for PTCs issued under a vehicle loan securitisation transaction

Summary of rating action

Trust name	Instrument*	Initial rated amount (Rs. crore)	Amount o/s after last surveillance (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Platinum Trust APR 2024-Tranche III	PTC Series A	897.29	405.28	122.26	[ICRA]AAA(SO); upgraded from [ICRA]AA+(SO)	RBI

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The pass-through certificates (PTCs) are backed by vehicle loan receivables originated by Cholamandalam Investment and Finance Company Limited (CIFCL/Originator; rated [ICRA]AA+ (Positive)/[ICRA]A1+)[1]. CIFCL is also the servicer for the transaction.

The ratings upgrade factors in the build-up of the credit enhancement cover over the future PTC payouts on account of the high amortisation and healthy performance of the pool. The ratings also draw comfort from the fact that the breakeven collection efficiency is comfortably below the actual collection level observed in the pools till the June 2026 payout month.

Pool performance summary

Parameter	PLATINUM TRUST APR 2024-TRANCHE III
Payout month	June 2026
Months post securitisation	26
Pool amortisation (as % of initial pool principal)	86.4%
PTC amortisation (as % if initial PTC principal)	86.4%
Cumulative collection efficiency[2]	97.9%
Monthly collection efficiency[3]	97.8%
Loss-cum-90+ dpd[4] (% of initial pool)	1.8%
Loss-cum-180+ dpd[5] (% of initial pool)	1.5%
Cumulative credit collateral (CC) utilisation	0.00%
Breakeven collection efficiency[6] for PTC Series A	62.4%
Cash collateral (CC; % of balance pool)	36.7%
Subordination (% of balance pool)	0.0%
Excess interest spread (EIS; % of balance pool) for PTC Series A[7]	5.3%

[1] *The current rating rationale of the originator, available at this link, provides its detailed rating history and rating transitions*

[2] *Cumulative current and overdue collections till date)/(Cumulative billing till date + Opening overdues at the start of the transaction*

[3] *(Current and overdue collections for month)/(billing for the month)*

[4] *Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 90 days, as a % of Initial pool principal*

[5] *Inclusive of unbilled and overdue principal portion of contracts delinquent for more than 180 days, as a % of Initial pool principal*

[6] *(Balance cash flows payable to investor – CC available)/Balance pool cash flows*

[7] *(Pool interest – Interest to PTC A)/Pool principal outstanding*

Transaction structure

As per the transaction structure, the monthly cash flow schedule comprises the promised interest payout and principal payout (100% of the pool principal billed). Any surplus excess interest spread (EIS), after meeting the promised payouts, will flow back to the Originator on a monthly basis. Any prepayment in the pool would be used for the prepayment of the PTC Series A principal.

Key rating drivers and their description

Credit strengths

Track record of Originator/ servicer – CIFCL, which is also servicing the loans in the transaction, has an established track record of more than four decades in the lending business with adequate underwriting policies and collection procedures across a wide geography. It also has satisfactory processes for servicing the loan accounts in the securitised pool.

Build-up of credit enhancement available in the structure – The rating factors in the build-up of credit enhancement for the transaction, with a higher cash collateral available as a percentage of the balance pool principal as compared to the initial cash collateral at time of securitisation. Internal credit support is also available through scheduled EIS for the pool.

Healthy pool performance – The delinquency for the pool has remained low with the loss cum 90+ days past due (dpd; as percentage of initial pool principal) at less than 2.00% since securitisation (after the June 2026 payout) for the transaction. Further, the performance of the pool has been healthy with the cumulative collection efficiency around 98%, comfortably higher than break-even collection efficiency level.

Credit challenges

Risks associated with lending business – The pool's performance would remain exposed to macro-economic shocks, business disruptions and natural calamities that may impact the income-generating capability of the borrowers and their ability to make timely repayments of their loans.

Key rating assumptions

ICRA's cash flow modelling for rating securitisation transactions involves the simulation of potential losses, delinquencies and prepayments in the pool. The losses and prepayments are assumed to follow a log-normal distribution. The assumptions for the losses and the coefficient of variation are considered on the basis of the values observed from the analysis of the past performance of the Originator's loan portfolio as well as the characteristics of the specific pool being evaluated. The resulting collections from the pool, after incorporating the impact of the losses and prepayments, are accounted for in ICRA's cash flow model, in accordance with the cash flow waterfall of the transaction.

For the current pool, ICRA has estimated the shortfall in the pool principal collection during their tenure at 1.00% of the initial pool principal with certain variability around it. The average prepayment rate for the pool is modelled in the range of 4.8% to 18.0% per annum. Various possible scenarios have been simulated at stressed loss levels and prepayment rates and the incidences of default to the investor as well as the extent of losses are measured after factoring in the credit enhancement to arrive at the final rating for the instrument.

Details of key counterparties

The key counterparties in the rated transactions are as follows:

Transaction name	PLATINUM TRUST APR 2024-TRANCHE III
Originator	Cholamandalam Investment and Finance Company Limited
Servicer	Cholamandalam Investment and Finance Company Limited
Trustee	IDBI Trusteeship Services Limited
CC holding bank	ICICI Bank Limited
Collection and payout account bank	ICICI Bank Limited

Liquidity position: Superior

The liquidity for PTC Series A is superior after factoring in the credit enhancement available to meet the promised payout to the investor. The total credit enhancement is 7.25 times the estimated losses for the pool.

Rating sensitivities

Positive factors – Not applicable for PTC Series A

Negative factors - Pressure on the rating could emerge due to sustained weak collection performance of the underlying pool (monthly collection efficiency of <90%), leading to higher-than-expected delinquency levels and credit enhancement utilisation levels. Weakening in the credit profile of the servicer could also exert pressure on the rating.

Analytical approach

The rating action is based on the performance of the pools till the June 2026 payout month (May 2026 collections), the present delinquency profile of the pool of contracts, the performance expected over the balance pool tenure, and the credit enhancement available in the transaction.

Analytical approach	Comments
Applicable rating methodologies	Rating Methodology for Securitisation Transactions
Parent/Group support	Not applicable
Consolidation/Standalone	Not applicable

About the originator

CIFCL, a non-banking financial company, is a part of the Chennai-based Murugappa Group of companies. Incorporated in 1978, it operates through 1,761 branches across 26 states and 7 Union Territories (UTs) with net AUM of Rs. 2,24,334 crore as of March 2026. The company's core business segments include vehicle finance (55%) and HE loans (18%). CIFCL has forayed into three new business divisions in the consumer and SME ecosystem, namely CSEL, SBPL and SME, which contributed 17% to AUM, while housing finance (7%) accounted for the rest. As of March 2026, CIFCL had two wholly-owned subsidiaries, Cholamandalam Leasing Limited and Cholamandalam Securities Limited, a joint venture with Payswiff Technologies Private Limited, and an associate entity – Vishvakarma Payments Private Limited.

In FY2026, CIFCL (standalone) reported a net profit of Rs. 5,220 crore on a managed asset base of Rs. 2,55,372 crore compared with Rs. 4,259 crore and Rs. 2,07,874 crore, respectively, in FY2025. In FY2026, CIFCL (consolidated) reported a net profit of Rs. 5,229 crore on a managed asset base of Rs. 2,55,750 crore compared with Rs. 4,260 crore and Rs. 2,08,113 crore, respectively, in FY2025.

Key financial indicators (audited)

CIFCL (Standalone)	FY2024	FY2025	FY2026
Total income	19,216	26,055	31,445
Profit after tax	3,423	4,259	5,220
Total managed assets^	1,60,194	2,07,874	2,55,372
Gross stage 3	2.5%	2.8%	3.1%
CRAR	18.6%	19.8%	19.2%

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; ^Managed Assets= Total assets (as per balance sheet) + Assignment book

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Trust name	Current rating (FY2027)				Chronology of rating history for the past 3 years			
	Instrument	Initial rated amount (Rs. crore)	Current rated amount (Rs. crore)	Date & rating in FY2027	Date & rating in FY2026	Date & rating in FY2025		Date & rating in FY2024
				July 23, 2026	July 25, 2025	July 22, 2024	May 07, 2024	-
Platinum Trust APR 2024-Tranche III	PTC Series A	897.29	122.26	**[ICRA]AAA(SO)**	**[ICRA]AA+(SO)**	**[ICRA]AA+(SO)**	**Provisional [ICRA]AA+(SO)**	-

Complexity level of the rated instrument

Instrument	Complexity indicator
PTC Series A	Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

Trust name	Instrument	Date of issuance/ Sanction	Coupon rate (p.a.p.m.)	Maturity date	Current rated amount (Rs. crore)	Rating	Financial Sector Regulator#
Platinum Trust APR 2024-Tranche III	PTC Series A	April 30, 2024	8.65%	April 22, 2029	122.26	[ICRA]AAA(SO)	RBI

Source: Company

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Annexure II: List of entities considered for consolidated analysis

Not applicable

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ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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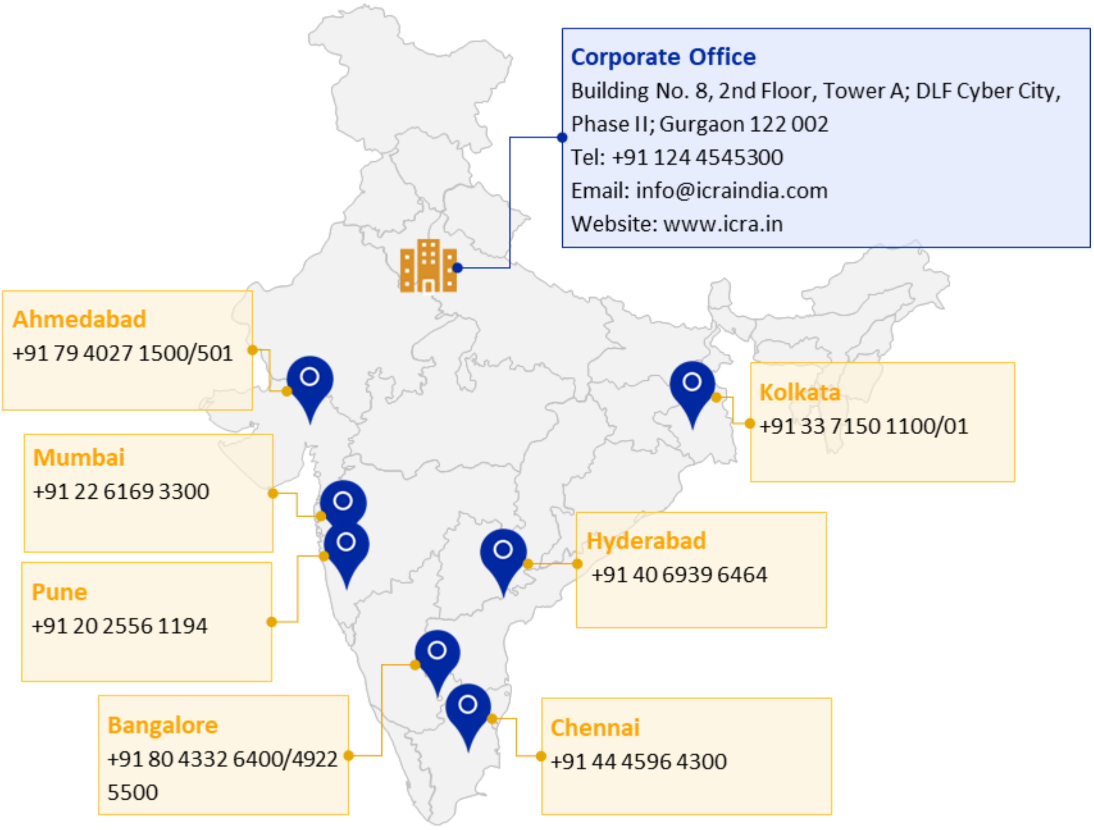

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